

Message Text

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ACTION ARA-10

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R 141102Z MAY 75

FM AMEMBASSY ASUNCION

TO SECSTATE WASHDC 4914

UNCLAS ASUNCION 1832

E.O. 11652: N/A

TAGS: OGEN, PA

SUBJECT: APPLICATION OF NEW CUSTOMS DUTIES BY GSP

1. WITHIN LAST TWO WEEKS GOP HAS BEGUN TO APPLY TWO NEW CUSTOMS CHARGES TOTALLING .75 PERCENT ON ALL ARTICLES BEING IMPORTED FOR DIPLOMATIC MISSIONS AND THEIR PERSONNEL. THESE CHARGES ARE BASED ON GOVERNMENT DECREES ESTABLISHING, IN THE FIRST INSTANCE, AN AD VALOREM CHARGE OF .25 PERCENT (1/4 OF 1 PERCENT) TO PAY FOR THE COMPILATION, PREPARATION AND PUBLICATION OF CUSTOMS STATISTICS, AND IN SECOND INSTANCE A CHARGE OF 0.5 PERCENT (1/2 OF 1 PERCENT) AD VALOREM TO DEFRAY THE COSTS OF OPERATING A CUSTOMS EVALUATION SERVICE.

2. IN MEETING WITH UNDERSECRETARY OF FINANCE ON APRIL 30, EMBOFF RAISED QUESTION OF APPARENT CONFLICT BETWEEN THESE NEW CUSTOMS CHARGES AND ARTICLE 36 OF 1961 VIENNA CONVENTION ON DIPLOMATIC RELATIONS. AS RESULT THIS MEETING, UNDER-SECRETARY AGREED TO STUDY QUESTION OF APPLICABILITY OF NEW CHARGES TO DIPLOMATIC MISSIONS. HOWEVER, STUDY HAS RESULTED IN PREDICTABLE DECISION THAT DUTIES DO APPLY, BECAUSE GOP CONSIDERS THEM TO BE SERVICE CHARGES AND NOT DUTIES.

3. EMBASSY HAS CANVASSED OTHER MAJOR FOREIGN EMBASSIES IN ASUNCION CONCERNING PROBLEMS THEY FACE WITH NEW CHARGES. ALL EXCEPT FOR GERMAN EMBASSY HAD NO ARTICLES PRESENTLY IN CUSTOMS PENDING CLEARANCE, THEREFORE NO PROBLEM.

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GERMAN EMBASSY HAS REFUSED TO PAY CUSTOMS CHARGES ON

MODEST AMOUNT OF OFFICIAL USE MERCHANDISE PRESENTLY IN CUSTOMS. GERMAN EMBASSY INFORMED US THAT THEY ARE PRESENTLY CONSIDERING PAYMENT OF CHARGES UNDER PROTEST IN ORDER TO BE ABLE WITHDRAW MERCHANDISE FROM CUSTOMS.

4. COMPLICATING FACTOR IN OUR REFUSAL TO PAY NEW CHARGES IS FACT THAT TOTAL VALUE OF SHIPMENTS FOR EMBASSY AND EMBASSY PERSONNEL PRESENTLY PENDING CUSTOMS CLEARANCE AMOUNTS TO APPROXIMATELY \$30,000. DIRECTOR GENERAL OF CUSTOMS HAS INDICATED THAT STORAGE CHARGES WILL BE ASSESSED FOR TIME MERCHANDISE REMAINS IN CUSTOMS WAREHOUSES REGARDLESS OF REASON.

5. AMBASSADOR WILL RAISE THE QUESTION OF JOINT DIPLOMATIC CORPS APPROACH TO GOP WITH DIPLOMATIC CORPS DEAN, PAPAL NUNCIO, WHO HAS JUST RETURNED FROM EUROPE. THIS AVENUE OF APPROACH WILL PROBABLY TAKE CONSIDERABLE TIME. FOR TIME BEING, EBASSY ON MAY 16 WILL DELIVER NOTE TO FOREIGN MINISTRY REQUESTING SUSPENSION OF CHARGES (MAY 14-15 BEING NATIONAL HOLIDAYS).

6. EMBASSY REQUESTS DEPARTMENT INSTRUCTIONS ON BEST MANNER TO PROCEED. PLEASE ADVISE SOONEST.
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